

MINUTES

**CALIFORNIA EDUCATIONAL
FACILITIES AUTHORITY (CEFA)
5th Floor Conference Room
915 Capitol Mall, Room 587
Sacramento, California 95814**

Alternate Location for CEFA Teleconference Participation

University of Southern California
3601 Trousdale Parkway
Office of Vice President for Student Affairs
Student Union Building 201
Los Angeles, CA 90089-4891
(213) 740-5240

Thursday, January 27, 2011

1:30 PM

Deputy Treasurer Patricia Wynne, serving as Chairperson, called the CEFA meeting to order at 1:33 p.m.

CEFA Roll Call

Members Present: Patricia Wynne for Bill Lockyer, State Treasurer, Chairperson
Ruth Holton-Hodson for John Chiang, State Controller, Vice-Chairperson
Fred Klass for Ana Matosantos, Director, Department of Finance
Sylvia Scott-Hayes

Member Absent: Michael Jackson

Staff Present: Ronald L. Washington, Executive Director
Rosalind Brewer, Deputy Executive Director

Chairperson Wynne declared a quorum present.

The minutes from CEFA's December 2, 2010 meeting were approved. Ms. Scott-Hayes moved for approval of the minutes; Mr. Fred Klass seconded the motion. The motion was adopted with a 4-0 roll call vote.

CEFA's Executive Director's Report

Mr. Washington reported as of November 30, 2010, the CEFA fund had approximately \$9,978,253,538 in total debt issued; total debt outstanding was \$4,725,816,975; the CEFA fund balance reflected \$4,430,711. As of November 30, 2010, the Student Loan Program's outstanding debt and bonds outstanding were \$265,372,500 and \$11,000,000, respectively. The fund balance for the Student Loan Program was \$8,251,840. Mr. Washington reported that fund balance and budget information was unchanged within the Student Loan Program for both November and December.

Mr. Washington reported as of December 31, 2010, total debt issued for CEFA was approximately \$9,978,253,538 and total debt outstanding was \$4,690,640,741 and the CEFA fund balance reflected \$4,346,001. Mr. Washington concluded his report by referring to the Comprehensive Debt List Summary which was included as the final page of the Executive Director's Report.

Item #4**Delegation of Powers, American Jewish University**

Mr. Washington reported the Delegation of Powers action taken for American Jewish University (University). Mr. Washington stated that the Authority executed Notices of Termination on behalf of the University relating to their 1998 Series A and Series B Bonds and the Bonds were each secured with a Letter of Credit with Allied Irish Bank and in November 2010, the University elected to tender \$16,700,000 of outstanding bonds. Mr. Washington reported that upon receiving direction from the Attorney General's Office, executed the Notices of Termination and the University paid off the bonds.

Item #5**Delegation of Powers, University of San Francisco**

Mr. Washington reported the Delegation of Powers action taken for the University of San Francisco (USF). Mr. Washington stated that the Authority executed a Certificate and Direction as to Payment of the Series 1996 Bonds that were insured by a financial guarantee policy with MBIA. In December 2010, USF deposited funds in an escrow account sufficient to pay off the bonds then subsequently requested the Authority to authorize and execute a Certificate and Direction as to the payment of the 1996 Bonds, authorizing the Escrow Trustee, the Bank of New York Mellon Trust Company, N.A., to make payments on the bonds when due. Mr. Washington reported that upon receiving direction from Staff Counsel, executed the Certificate of Deposit.

Item #6**Delegation of Powers, University of San Francisco**

Mr. Washington reported the Delegation of Powers action taken for the University of San Francisco (USF). Mr. Washington stated that the Authority executed a Certificate of Waiver pertaining to the 60-day notice requirement in the Indenture to replace the Letter of Credit (LOC) on USF's CEFA Series 2000, Series 2003, and Series 2005 B Bonds with the intent to replace the current LOC provider, Allied Irish Bank, p.l.c, with JP Morgan Chase Bank, N.A. Mr. Washington reported that staff received direction from the Attorney General's Office and executed the waiver.

Chairperson Wynne addressed combining the Delegation of Powers within one item under the Executive Director's Report summary but would postpone the consideration until John Hiber was in attendance.

Item #7**Pomona College
Resolution No. 282**

Summer Nishio stated Pomona College (Pomona) was requesting bond proceeds in an amount not to exceed \$8 million. Bond proceeds will be used to refund the outstanding CEFA Series 1998 Bonds and a portion of the CEFA Series 1999 Bonds. As a result of this refunding, the net present value savings of approximately \$510,000 or 6.6%. Summer Nishio introduced Ms. Mary Lou Woods, Controller of Pomona College; Mr. Saul Rosenbaum, Managing Director, Prager, Sealy & Co., LLP; attended via teleconference Ms. Laurie Millar Altschul, Bond Counsel, Squire Sanders & Dempsey and in Michael Jackson's absence, Phil Deters of staff attended at the alternate location.

Staff recommended the Authority approve a resolution in an amount not to exceed \$8 million for Pomona, subject to a bond rating of at least investment grade by a nationally recognized rating agency and meeting the standard bond issuance guidelines. Macias Gini & O'Connell, the Authority's financial analyst, and Public Financial Management, the Authority's financial advisor, concurs with the Authority's staff recommendation.

Mr. Washington provided an explanation surrounding the "proposed covenants, security and disclosures". Mr. Washington stated Pomona's "proposed covenants, security and disclosures" intended to provide more detailed information due to the transactions uniqueness. Mr. Washington offered that at such time the Board finds sufficient, the Authority supports a withdrawal with regard to not applicable information provided with "proposed covenants, security and disclosures".

Chairperson Wynne agreed with Mr. Washington's comment, and the modification will be implemented going forward.

Chairperson Wynne asked if there were any additional questions from the Board members or any public comments on this matter. Hearing none, Ms. Scott-Hayes moved for adoption of Resolution No. 282 and Mr. Klass seconded it. The motion was adopted with a 4-0 roll call vote.

With no public comment for the CEFA meeting Chairperson Wynne adjourned the meeting at 1:48 p.m.

Respectfully submitted,

Ronald L. Washington
Executive Director